HIPAA Regional Session

Department of Health & Family Services

Wisconsin Medicaid Professional Relations Representatives

What is HIPAA?

Health **I**nsurance **P**ortability and **A**ccountability **A**ct

- Health Care Reform
- Signed into Law August 21, 1996
- Federal Mandate

HIPAA Components

- Portability

- Accountability

- Administrative Simplification

Administrative Simplification

The component of HIPAA designed to improve the efficiency of the health care system by standardizing the way health care data is exchanged.

- Standard electronic formats

- Standard code sets

- Security and privacy standards to protect individuals' health care information

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Federal Rule-making Process

- Notice of Proposed Rule Making (NPRM)
- Comment Period - Public
- Final Rule
- Comment Period - Congressional
- Compliance Date

HIPAA Rules

- Electronic Transactions
- Privacy
- Security
- Identifiers
- Enforcement
- Claim Attachments

What makes HIPAA unique?

- Federal Law

- Terminology

- Standard Transactions

A Closer Look
Electronic Transactions Rule

- Timing

- Electronic Transactions

- Code Sets

- Implementation Guides

- Impact on Paper

Timing - Electronic Transactions

- Final Rule - August 17, 2000
- Congressional Comment Period - August 17, 2000 thru October 16, 2000
- Compliance Date - October 16, 2002

Electronic Transaction

An electronic transaction is:

The exchange of electronic information between two parties to carry out financial or administrative activities related to health care.

Electronic Transactions

- Health Care Claim (including adjustments)
  - Professional - 837
  - Dental - 837
  - Institutional - 837
  - Retail Pharmacy - NCPDP Version 5.1

837 Health Care Claim

Example: 837 Professional
- Case Management
- Mental Health
- Community Support Program
- Crisis Intervention
- Day Treatment
- HealthCheck
- Prenatal Care Coordination
- Others

837 Health Care Claim

Example: 837 Institutional

- Personal Care
- Nursing Home
- Others

Electronic Transactions

- Remittance Advice - 835

- Health Claim Status - 276 (inquiry)
  277 (response)

- Plan enrollment/disenrollment - 834

Electronic Transactions

- Plan premium payments - 820

- Referral Certification & Authorization - 278

- Eligibility Inquiry & Response -
  270 (inquiry)
  271 (response)

Code Sets

Code sets define the valid data values that can be used within a transaction.

Medical Code Sets

- CPT-4

  Current Procedural Terminology 4th Edition

- HCPCS

  Health Care Financing Common Procedure Coding System

- CDT

  Current Dental Terminology

- NDC

  National Drug Codes

- ICD9-CM

  International Classification of Diseases

Local Codes

Non-Medical Code Sets

- Code sets which define all non-medical information
    - NUBC
    - Place of Service
    - Explanation of Benefit

- Defined in Implementation Guides

Implementation Guide

An Implementation Guide defines the electronic format and values for each data element within a transaction.

Paper Transactions

- HIPAA does not mandate changes to paper transactions

- Changes to paper transactions are inevitable

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Electronic Transactions Summary

- Timing
- Electronic Transactions
- Code Sets
- Implementation Guides
- Impact on Paper
- Questions

A Closer Look
Privacy

- Final Rule - December 28, 2000
- Congressional Comment Period - March 30, 2001
- Compliance - April 14, 2003
- Gives patients greater access and control over their medical records
- Guarantees that health information is used for health purposes only

A Closer Look
Security

- NPRM - published
- Ensures electronic health data is kept private and confidential
- Security safeguards and measures

A Closer Look
Identifiers

- National Provider Identifier
  - NPRM - published
- National Health Plan Identifier
  - NPRM - not published
- National Employer Identifier
  - NPRM - published
- National Individual Identifier
  - On hold

A Closer Look
Enforcement

- NPRM - not published
- Specifies how the HIPAA rules will be enforced

Electronic Claim Attachments

- Additional information associated with a claim transaction

- NPRM - not published

Benefits of HIPAA

- Simplifies the exchange of information
- Standardizes coding
- Reduces paperwork
- Improves privacy and security of health information

Who Must Comply?

- Health Care Providers who submit electronic transactions
- Health Care Clearinghouses (including billing services and vendors)
- Health Plans (including government plans)

Getting Started...

- Get Management involvement in setting up a HIPAA team and a leader

- Collect and review information on Web Sites
    - Read the Rules and new NPRMs
    - Read the Implementation Guides and Companion Documents
    - Read Medicaid Update and HIPAA inSight

Next Step...

- Conduct Gap Analysis
    - For electronic transactions compare the HIPAA data requirements with the data in your system
    - For paper transactions compare the new payer data requirements with the data in your system
    - Identify the gaps
    - Determine how to collect and store new data

Evaluate Options for Compliance

- Clearing House, Software Vendor, Billing Service

- Translator

- Code your own system

- Medicaid Software

Clearing House, Software Vendor, Billing Service

These entities can take data in non-standard formats and convert it to standard formats and forward it to payers for you.

- Clearing house & Billing Service provide connectivity, maintain hardware & software
- Software vendor - you provide connectivity, maintain hardware & software
- Usually charges a per transaction fee
- You must still provide all necessary data

Clearing House, Software Vendor, Billing Service

How to research...

- Identify via the Internet
- Contact the companies for more information

- Contact other agencies

- Evaluate each vendor based on your needs and cost considerations

Translators

Translators are software packages that take data in non-standard formats and convert it to standard formats for you to forward on to payers

- You can purchase the software package

- You provide the hardware on which this software resides and the connectivity

- You must still maintain all necessary data in your system

Translators

How to research...

- Identify via the Internet
- Contact the companies for more information
- Contact other agencies utilizing translators
- Set up technical demos
- Evaluate each vendor based on your needs and cost considerations

Code your own system

Coding your own system entails making changes that will enable you to create your own HIPAA compliant transactions

- Cost

- Staffing resources

- Time constraints

- Maintain all hardware, software, connectivity and required data

Medicaid Software

Medicaid software provides screens for you
to enter your claims data into which generates
standard claims transactions for you to transmit

- Software is provided free of charge

- Manual data entry is required

- You must still maintain all necessary data

- Only for Medicaid claim submission

- You maintain hardware and connectivity

Keeping Informed

- Train Staff

- Continue learning about new HIPAA rules

- Continue reviewing the HIPAA Web sites

- Attend future HIPAA training sessions

Other Considerations

- Coordinate your efforts with similar entities

- Evaluate all HIPAA requirements

How we will keep you informed

- Resources
- Medicaid Updates
- HIPAA inSight
- DHFS Web site
- Companion documents
- Training 2002

Closing

Questions